



INDUSTRIAL RECOVERY SITE INVENTORY TAX CREDIT

State Form 28675 (R3 / 1-02)

Prescribed by the Department of Local Government Finance

The records in this series are CONFIDENTIAL according to Indiana Code 6-1.1-35-9.

**FORM
IR-1**

INSTRUCTIONS: (Specific instructions are detailed below and on reverse side.)

1. This form is to be filed in duplicate with the Auditor of the county in which the property is located (6-1.1-20.8-1)
2. This form is to be filed between March 1 and May 15 of the year for which the person reports the property for assessment unless a filing extension under IC 6-1.1-3-7(b) has been obtained. A person who obtains a filing extension must file the form between March 1 and the extended due date for that year. (6-1.1-20.7-11) (6-1.1-20.8-2.5)
3. Attach a copy of the current year Business Tangible Personal Property Assessment Return (Front page of Form 103 only.)

Name of taxpayer			
Taxpayer's address (number and street, city, state, ZIP code)			
Address where property is located (number and street, city, state, ZIP code)			
Taxing district	Township	County	Assessment date March 1, 20 _____
I, as the owner or authorized representative, hereby certify that the above named taxpayer is liable for Business Personal Property Tax on inventory at the above listed location on the indicated assessment date. I also certify that: (1) on the indicated assessment date, the inventory was in an Industrial Recovery Site designated by the Enterprise Zone Board after request for designation was made by the local legislative body; (2) the taxpayer did not substantially reduce or cease operations in Indiana in order to relocate in an Indiana Industrial Recovery Site; (3) the taxpayer is entitled to a credit on inventory in the following amount:			
		COST	TRUE TAX VALUE
1. Qualified Current Year Inventory			
2. Base Year Inventory (See instructions on reverse side)			
3. True Tax Value Increase (Line 1 minus Line 2)			
4. Assessed Value of Credit (100% of Line 3)			
Authorized signature of owner or representative		Title	Date signed
Full address of owner (number and street, city, state, ZIP code)			Telephone number

DO NOT WRITE HERE - FOR USE BY COUNTY AUDITOR ONLY

I, auditor of the county named below, hereby certify that this claim for deduction was filed with this office on the date noted below, and having been referred this application, do hereby make the following determination:		
Signature of County Auditor	County	Date filed
Approved amount of assessed value for determining tax credit for March 1, 20 _____ Payable 20 _____		Amount \$
IF CLAIM WAS DENIED PARTIALLY OR IN TOTAL, AUDITOR MUST COMPLETE THIS SECTION.		
1. If approved amount is different than #4 above, explain:		
2. This claim is being denied in total due to one of the following reasons:		
<input type="checkbox"/> Business is not located within established Industrial Recovery Site boundary.	<input type="checkbox"/> Application was not timely filed in accordance with instruction #2 above. <input type="checkbox"/> Other (attach explanation)	

SPECIAL INSTRUCTIONS:

1. County Auditor must notify the applicant, the Department of Local Government Finance and the Indiana Board of Tax Review of the above determination before August 15 of the year in which the application is made.
2. If an applicant is in disagreement with the county auditor's determination the applicant may appeal for a review of the application by the Indiana Board. An appeal is perfected by the filing of a written request for review with the Indiana Board no later than thirty (30) days after the date on the county auditor's notice. The request must: (a) state the name of the applicant, (b) identify the application and; (c) state the reasons the applicant believes that the county auditor's decision is incorrect.
3. The Indiana Board shall review the application of any applicant who files an appeal as described above.
4. The Department of Local Government Finance may review any application and if it finds that the applicant has been denied but is eligible or that the applicant is not eligible, the department shall notify the applicant and the county auditor of the department's decision to allow or disallow the credit.

DISTRIBUTION: Original and Duplicate - County Auditor (County Auditor must send dated duplicate copy to Department of Local Government Finance within ten (10) days of receipt.)

INDUSTRIAL RECOVERY SITE DECLARATION

DEFINITIONS:

- 1.) "Board" means the Enterprise Zone Board created under IC 4-4-6.1.
- 2.) "Executive" has the meaning set forth in IC 36-1-2-5.
- 3.) "Industrial Recovery Site" means an industrial site designated under IC 6-3.1-11.

REQUEST FOR DESIGNATIONS:

- 1.) The executive of a municipality or a county may submit applications requesting that the Industrial Recovery Site credit be made available to persons owning inventory on a specified Industrial Recovery Site. The application must be submitted to the following:
 - a.) In the case of an Industrial Recovery Site located within a consolidated city, to the Metropolitan Development Commission.
 - b.) In the case of an Industrial Recovery Site located within a municipality that is not a consolidated city, to the legislative body of the municipality.
 - c.) In the case of an Industrial Recovery Site located within a county but not within a municipality, to the legislative body of the county.
- 2.) The Metropolitan Development Commission or the applicable legislative body shall either grant or deny the application. An application under this section may be considered and acted upon before the time that a particular location is approved by the board as an Industrial Recovery Site. However, the Industrial Recovery Site credit is not available until the time that the board approves the location as an Industrial Recovery Site under IC 6-3.1-11, and enters a determination that, based on the factors listed in IC 6-3.1-11, the Industrial Recovery Site credit provided by this chapter is available to persons owning inventory on the Industrial Recovery Site.

LIMITATIONS:

- 1.) The Industrial Recovery Site credit is available only to those persons owning inventory on the Industrial Recovery Site.
- 2.) The Industrial Recovery Site credit is available against the property tax liability arising with respect to the first assessment date following the effective date of the board's approval of the Industrial Recovery Site designation under IC 6-3.1-11 and with respect to the nine (9) succeeding assessment dates.
- 3.) A person is not entitled to claim the Industrial Recovery Site credit to the extent that the person substantially reduces or ceases its operations in Indiana in order to relocate them within the Industrial Recovery Site. A determination that a person is not entitled to the Industrial Recovery Site credit as a result of a substantial reduction or cessation of operations applies to credits that would otherwise reduce a person's property tax liability attributable to the assessment date in the year in which the substantial reduction or cessation occurs and to credits in all subsequent years. Determination shall be made by the board in accordance with IC 4-4-6.1-6.
- 4.) However, a person may be entitled to claim the Industrial Recovery Site credit if the operations that are substantially reduced or ceased are in the same municipality as the Industrial Recovery Site and the consent, by ordinance or resolution, of the legislative body of the municipality is secured. However, in that case the Industrial Recovery Site inventory value on each of the assessment dates following the substantial reduction or cessation of operations shall be reduced by an amount equal to base year inventory.
- 5.) The amount of the Industrial Recovery Site inventory value as computed may not be less than zero (0).

BASE YEAR INVENTORY:

- 1.) If a person has not substantially reduced or ceased operations to locate in an Indiana Industrial Recovery Site, the base year inventory equal zero (0).
- 2.) If a person has substantially reduced or ceased operations in a municipality to locate in an Industrial Recovery Site in that same municipality, then the base year inventory equals:
 - a.) In the case of a cessation of operations at a location within the municipality, the assessed value of the inventory at the location on the assessment date before the cessation; or
 - b.) In the case of a substantial reduction of operations at a location within the municipality, the assessed value of the inventory at the location on the assessment date before the date that the substantial reduction began, minus:
 - (i) the assessed value of the inventory at the location on the current assessment date if the substantial reduction has not been completed as of that date; or
 - (ii) the assessed value of the inventory at the location on the assessment date immediately preceding the date that the substantial reduction was completed.
- 3.) Any business which substantially reduces or ceases an operation in Indiana and outside an Industrial Recovery Site (referred to as a non-site operation), in order to relocate in an Indiana Industrial Recovery Site is disqualified from benefits or incentives available to site businesses. (IC 4-4-6.1-6) The criteria to be used by the Industrial Recovery Site board is as follows:
 - a.) Business Operations - A site-specific economic activity, including sales, leasing, service, manufacturing, production, storage of inventory, or any activity involving permanent full-time or part-time employees shall be considered a business operation.
 - b.) Substantially Reduce - With respect to a non-site operation, any of the following that occurs during the twelve (12) months before relocation in the site as compared with the twelve (12) months before that twelve (12) months shall be considered a substantial reduction:
 - (i) A reduction in the average number of full-time or part-time employees of the lesser of one hundred (100) employees or twenty-five percent (25%) of all employees.
 - (ii) A twenty-five percent (25%) reduction in the average number of goods manufactured or produced.
 - (iii) A twenty-five percent (25%) reduction in the average value of services provided.
 - (iv) A ten percent (10%) reduction in the average value of stored inventory.
 - (v) A twenty-five percent (25%) reduction in the average amount of gross income.